USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

Required Report - public distribution

Date: 6/4/2010

GAIN Report Number:

South Africa - Republic of

Fresh Deciduous Fruit Semi-annual

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Report Highlights:

For marketing year 2010/11, a smaller apple crop is expected in South Africa crop after weeks of intense heat took a toll on crops in most of the apple production regions. Pears were marginally affected by these unfavorable conditions while table grapes production is expected to be higher by 5 percent due to better climatic conditions and increases in yield per hectares. The total apple export crop is estimated at 286,874 MT while the total pear export crop is estimated at 180,921 MT and the total grape production is estimated at 239,596 MT.

For marketing year 2009/10, South Africa's apple production totaled to 808,916 MT due to increase in apple production area while pear total production and table grapes production was at 347,636 MT and 255,284 MT respectively. Despite the

financial global recession experienced in CY 2009, South Africa exported 338,970 MT of apples, 180,613 MT of pears, and 217,875 MT of table grapes.

Executive Summary:

For marketing year 2010/11, a smaller apple crop is expected in South Africa crop after weeks of intense heat took a toll on crops in most of the apple and pears production regions. Pears were marginally affected by these unfavorable conditions while table grapes production is expected to be higher due to better climatic conditions and increases in yield per hectare.

CY 2009 was a difficult year with the global economic crisis and South African exporters were not immune to this crisis since about 80 percent of South African deciduous fruit is destined for export market. Fruit exports are particularly sensitive to exchange rate movements and one consequence of last year’s financial market turmoil was a considerable amount of exchange rate volatility in international markets. Despite the volatility, the fruit exporters coped with these challenges fairly well, especially for the pear export market which showed an increase of 14,616 MT of pears exported in 2009.

For CY 2009 (marketing year beginning in January 2009), South Africa’s apple production totaled to 808,916 MT due to increase in apple production area while pear total production and table grapes production are totaled to 347,636 MT and 255,284 MT respectively. Despite the financial global recession experienced in 2009, South Africa exported 338,970 MT of apples; 180,467 MT of pears and 217,875 MT of table grapes.

Commodities:

Apples, Fresh

Apple Juice, Concentrated

Pears, Fresh

Grapes, Table, Fresh

Production:

Commodity:

Apples, Fresh

Apple Production

The harvest time for apples starts at the end of January for early varieties like Royal Gala and Royal Beaut and late apple varieties through March till late in April.

For marketing year 2010/11, a smaller apple crop is expected in South Africa crop due to unfavorable weather conditions. Official statistics has not been release yet but industry reports indicate that the early and mid season apple cultivars such as the Gala group and Golden Delicious have been badly affected. Gala will be down by 21 percent compared with last year and Golden Delicious 20 percent. Current expectations for the late season varieties are that Granny Smith will be 15 percent less than last year. Pink Lady / Cripps' Pink, and Sundowner / Cripps' Red is expected to increase by 1 percent compared with last year due to new plantings.

For CY 2009, the total apple production totaled to 808,916 MT. This represented an increase of 60,217 MT compared to official production of 748,699 MT of CY 2008.

Post revises CY 2008 apple production up to 748,699 MT based on industry statistics.

Apple area
According to Deciduous Fruit Producer's Trust (DFPT) tree census of 2009 apple area has increased by 2 percent from 20,737 hectares (ha) in 2008 to 21,100 ha in 2009. The major producing areas are: Groenland, Ceres Villiersdorp/ Vyeboom Landkloof East. The Granny Smith, the Golden Delicious and the Royal Gala are the leading varieties. The hectarage for these varieties is as follows: 23 percent for Granny Smith; 21 percent for Golden Delicious and 11 percent for Royal Gala.

Apples: Area planted in hectares (ha)

Cultivar	2008	2009
Granny Smith	5,050	4,946
Golden Delicious	4,414	4,389
Royal Gala	2,372	2,373
Pink Lady	1,463	1,516
Topred	1,196	1,163
Fuji	944	1,105
Starking	11222	1067
Braeburn	656	644
Other	3,520	3,898
Total	20,737	21,100

Source: DFPT Tree census, 2009

Commodity:
Apple juice, concentrated

Apple Juice production
For CY 2009, a total of 261,191 MT of apples were sent for processing. The value of apple juice realized per ton was R786 per ton for the same period.

For CY 2008, a total of 208,811 MT of apples were sent for processing. The value of apple juice realized per ton was R1, 056 per for the same period.

Commodity:
Pears, Fresh

Pear production
The harvest time for South African pears starts in January through to March. Early varieties include Abate Fetel, Bon Chretien while the late varieties among others include Packham's Triumph.

For marketing year 2010/11, some unfavorable conditions also affected the pear fruit in South Africa, however the impact was minimal.

According to the DFPT tree census of 2009, the most cultivated pear cultivars in South Africa are Packham's Triumph at 29 percent followed by Forelle at 25 percent and Williams Bon Chretien at 17 percent and other cultivars are Early Bon Chretien (10 percent).

For CY 2009, the total pear production was 347,143 MT. This represents an increase of 5,493 MT compared to official production of 342,143 MT of CY 2008.

Post revises CY 2008 pear production up to 342,143 MT based on industry statistics.

Pear area (hectares)

The area for pear production has steadily increased and the major producing areas are Ceres; Langkloof South Groenland; Wolseley/ Tulbagh and Villiersdorp/ Vyeboom.

Pears: area planted in hectares (ha)

Cultivar	2008	2009
Packham's Triumph	3,278	3,294
Forelle	2,801	2,895
Williams Bon Chretien	2,062	1,951
Early Bon Chretien	1,031	1,092
Abate Fetel	493	540
Rosemarie	384	384
Beurre Bosc	365	353
Doyenne Du Comice	268	245
Other	743	679
Total	**11,425**	**11,435**

Source: DFPT tree census, 2009

Commodity:
Grapes, Table, Fresh

Table grapes production

For marketing year 2010/11, the table grape production is expected to be slightly higher than last year (2009) due to better climatic conditions. Although there was some rain and hail damage, the effect was very isolated in certain regions and the yield and quality is expected to be much better in comparison to last year.

The harvest time for South African grapes starts from October to April and the grapes consist of white; black and red varieties and some seeded whilst others are seedless. The cultivar profile is changing rapidly in the country; seeded cultivars are declining year on year. In 2008/2009 season, Black, Red and White seeded cultivars declined by 12 percent, 5 percent and 8 percent respectively as compared to the previous season.

Seedless cultivars are on the rise; Black and Red cultivars increased by 93 percent and 9 percent respectively. The popularity of seedless cultivars stems from characteristics such as large berry size (with elongated or oval berry shapes), good-eating character (crunchiness) and visual attributes. Though the demand for seedless cultivars is growing throughout the globe, continental Europe still has large market opportunities for seeded varieties that have sought after cultivar characteristics (longer shelf life, good color development and larger berry sizes).

For marketing year 2010/11, the table grape production is expected to be slightly higher than last year (2009) due to better climatic conditions and increases in yields per hectare. Although there was some rain and hail damage, the effect was very isolated in certain regions and the yield and quality is expected to be much better in comparison to last year. The production is estimated at 239,569 MT.

Early grape regions (Orange River, Northern Province and Olifants River) experienced a sensational season when measured in terms of quality and quantity produced. The trio broke their individual records, and registered the highest intake volumes ever seen since the start of table grape production in these regions. The total intakes from all regions amount to 261,000 MT which represents a 5 percent growth in comparison to 2009 season and about 98 percent of the total intakes have been exported to all markets. The main reason for the marginal increase is that of young vineyards coming into full bearing capacity and better yield per hectare.

For CY 2009, the South African grape production is estimated at 255,284 MT. This is 3,489 MT less than the official grape production for CY 2008.

Post revises the CY 2008 grape production up to 258,773 MT based on industry statistics.

Table Grapes: Area planted (hectares)

Regions	2007	2008
Berg River	3 646	3 637
Hex River	4 636	4 534
Northern Province	1 196	1 198
Olifants River	491	506
Orange River	4 041	4 107
Total	**14 010**	**13 982**

Source: SATI Industry Census, 2008

In previous reports, grape production area included area for both fresh and dried grapes. In this report the production area and production statistics is only for fresh grapes since the South African Table Grapes Industry (SATI) can now provide this information.

Consumption:

Apples, Fresh

For CY 2009, total fresh domestic apple consumption amounted to 208,755 MT and the local fresh market sales averaged R3, 552 per ton while the while the export net realization was R5, 838 per ton.

For CY 2008, total fresh domestic apple consumption amounted to 181,428 MT and the local fresh market sales averaged R4, 243 per ton while the while the export net realization was R5, 167 per ton.

Apple juice

Apples are the leading flavor for 100 percent juices and also a leading flavor for juice drinks. The top five popular fruit juice brands in South Africa are: Clover, Fruittree, Ceres, Liquifruit and Real juice. For CY 2009, Ceres fruit juice led fruit juice sales, recording a retail value share of 15 percent and was closely followed by Liquifruit at 11 percent. Both brands are owned by Ceres Fruit Juices which is a whole subsidiary of Pioneer Foods.

Pears, Fresh

For CY 2009, a total of 44,711 MT of pears was sold on local markets as fresh fruit. The net realization on local markets was R3, 464 per ton whilst the export net realization was R6, 336 per ton.

For CY 2008, a total of 48,225 MT of pears was sold on local markets as fresh fruit. The net realization on local markets was R3, 716 per ton whilst the export net realization was R5, 585 per ton.

Table Grapes, Fresh

For CY 2009, a total of 37,409 MT of table grapes was sold on local markets as fresh fruit. The net realization on local markets was R6, 713 per ton whilst the export net realization was R7, 665 per ton.

For CY 2008, a total of 34,650 MT of table grapes was sold on local markets as fresh fruit. The net realization on local markets was R5, 719 per ton whilst the export net realization was R7, 694 per ton.

Trade:

Apples, Fresh

Imports

Post forecasts imports at 300 MT due to the imports from the United States which have been allowed to export to South Africa.
South Africa is not a big importer of apples and for CY 2009, South African imports totaled 235 MT and out of that total, 184 MT was coming from the US while 52 MT was from Malaysia.

For CY 2008, South African total imports amounted to 94 MT and out of that total, 76 MT was coming from the SADC while 19 MT from China.

The Shoprite Group in South Africa made history in December 2009 by importing about 160 tons of apples from the United States, making them the first imports from the United States in over a decade.. The US apples have had a long ban in South Africa due to concerns on introduction of pests but an import permit was approved last year. According to the group the reason to import the Red Delicious was taken to provide the group's customers with the red apples over December and January months since the South African red ones become very scarce by December because they are only harvested from February to April.
This sparked some controversy from one big rival retailer.

It has been traditionally difficult for imported apples to compete on the South African market because prices can be too low through the year to cover importation costs. For this reason, limited volumes of Chinese apples have arrived in the country since the market was opened to the fruit at the start of 2009. The period between November and February is, however, a different matter, with prices traditionally very good for Controlled Atmosphere-stored fruit during the off-season period and this is where Washington Reds will most likely find their niche.

Exports

For marketing year 2010/11, total apple export crop is estimated at 286,874 MT. This represents 45,810 MT less compared to export crop of CY 2009. This dip in export crop is the result of a small crop expected this year due to unfavorable conditions that affected the apple crop.

For CY 2009, South African apple exports amounted to 338,970 MT as reported in the Global Trade Atlas. The UK continues to be South Africa's largest importing country at 37 percent market share, although economic global recession resulted in lower export volume to UK compared to previous year (2008). The exports net realization for apples was R5, 838 per ton for the same period.

Exports (Jan – Dec) Apples ,Fresh (MT)			
Marketing Year Ending :Dec 2008		Marketing Year Ending :Dec 2009	
U.S.	0	U.S.	0
UK	120,014	UK	111,251
Malaysia	33,164	Malaysia	39,309
Netherlands	26,973	Netherlands	19,618
Benin	20,536	Benin	18,334
Total others	200,687	Total others	188,512
Others not listed	157,867	Others not listed	150,458
Total	358,554	Total	338,970

Source: GTA

Apple Juice

Imports

For CY 2009, a total of 32,417 MT of apple juice was imported in South African with the bulk (31,585 MT) of it coming from China.

Exports

For CY 2008, a total of 15,154 MT has been exported from South Africa for the same period and most of it destined for Japan and Australia.

Pears, Fresh

Imports

Post forecasts imports at 185 MT. South Africa is not a big importer of pears but since the establishment of diplomatic relations with China in 1998, Protocol on Phyto-Sanitary Requirements for the export of pear fruit from China to South Africa was among the agreements signed with China. For CY 2009, a total of 185 MT of pears was imported in South Africa from China.

For CY 2008, a total of 188 MT of pear was imported in South Africa also from China.

Exports

For marketing year 2010/11, total pear export crop is estimated at 180,921 MT. This is 26,238 MT more than the export for last year and represents an increase of 0.2 percent.

For CY 2009, a total of 180,613 MT of pears was exported from South Africa and according to Global Trade Atlas, The UK and the Netherlands had the biggest market share.

For CY 2008, a total of 165,997 MT of pears was exported from South Africa and according to Global Trade Atlas, UK and Netherlands accounted for approximately 45 percent of the market share, followed by Russia with 8 percent of the market share.

Exports (Jan – Dec) Pears Fresh (MT)			
Marketing Year Ending Dec 2008		Marketing Year Ending Dec 2009	
U.S.	491	U.S.	700
UK	24,695	UK	29,728
Netherlands	44,489	Netherlands	49,784
Russia	20,581	Russia	15,173
Germany	12,038	Germany	15,005
Total others	102,294	Total others	110,390
Others not listed	63,703	Others not listed	70,223
Total	165,997	Total	180,613

Source: GTA

Grapes, Table, Fresh

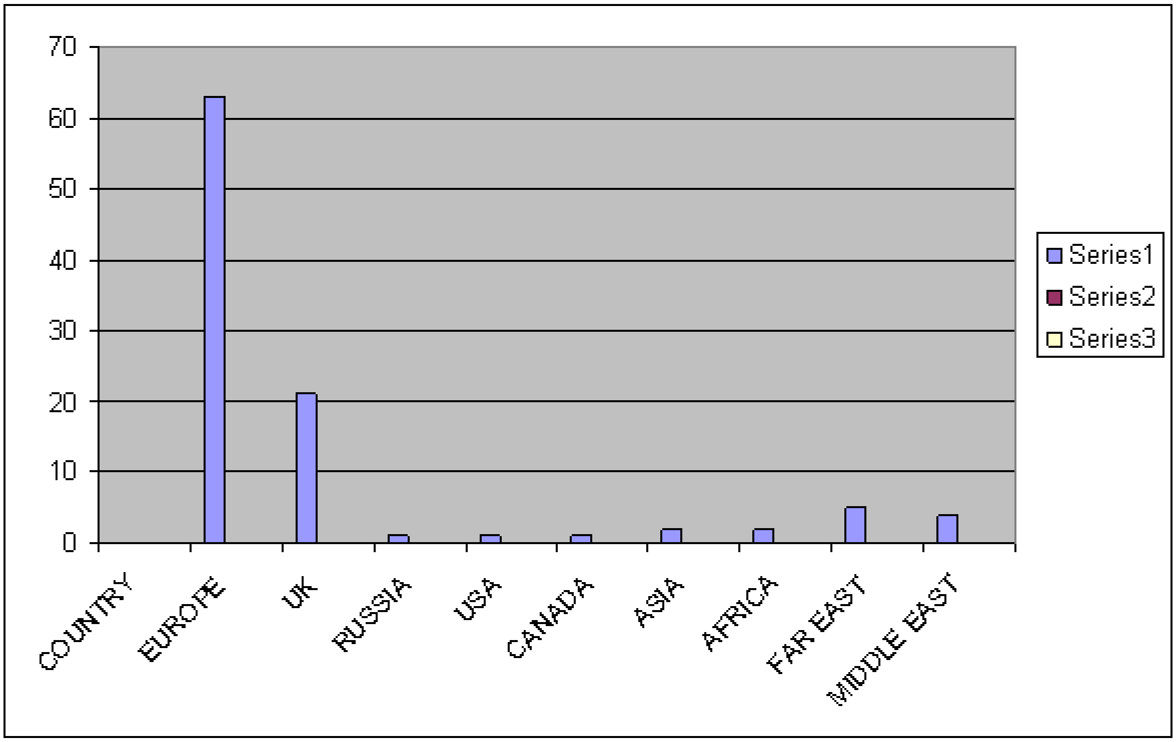
Exports

For CY 2009, industry statistics shows that a total of 217,875 MT was exported from South Africa. Europe is by far a leading export market for South African grapes at 63 percent market share and followed by the UK at 21 percent. The global economic down turn did effect the UK, which is South Africa’s important traditional market. South African Table Grape

Industry (SATI) exhibited in "The 'World Fruit and Vegetable Show' which is a UK-based agricultural show last year to promote South African Table Grapes and it is hoped that a show will increase the awareness of South African table grapes.

Posts forecasts a rise in the exports for marketing year 2010/11, since a large intake 261,000 MT has been seen from all regions and all the promotional marketing activities that the industry has been doing in UK might pay off and the global economy has been steady coming off recession since the last quarter of 2009.

For marketing 2009/10, European market is the biggest destination for the South African grapes and is followed by the UK.



Policy:

The department of Agriculture Forestry and Fisheries (DAFF) and the Perishable Product Export Control Board (PPECB) are the main institutions responsible for setting and controlling quality standards in South Africa for the export market. DAFF in cooperation with the APHIS, USDA, monitors the orchards, pack houses and inspection points. The USDA- APHIS inspectors look for quarantine pests such as the fruit fly (larvae) or False Codling Moth.

Marketing:

The South African fruit industry launched a major campaign to support the sales of stone fruit, top fruit and table grapes in the UK last year. The initiative is a three-way venture between the organizations representing South African deciduous fruit and South African grapes and the South African Government and is funded by growers and the South African Government on a 50:50 basis.

The campaign is set to feature a range of promotional activities in stores, including tastings, posters, radio, point of sale advertising and competitions to win a holiday to South Africa and tickets to the 2010 World Cup. A new website supporting the campaign has been launched at www.beautifulcountrybeautifulfruit.com

Success story for this campaign has already been experienced for the South African plums, which grew by 10.3 percent in value and 47.2 percent in volume in the UK. This year, the South African grape campaign is wholly funded by South African growers and the South African Citrus Grower's Association is also joining the campaign this year to promote the Grapefruit.

Production, Supply and Demand Data Statistics:

Apples , Fresh South Africa	2008/2009			2009/2010			2010/2011			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Area Planted	20,600	20,600	20,737	21,100		21,100			21,350	(HA)
Area Harvested	18,819	18,819	18,956	19,100		19,319			19,500	(HA)
Bearing Trees	20,773	20,773	18,942	20,100		19,023			19,100	(1000 TREES)
Non-Bearing Trees	1,980	1,980	1,793	1,800		2,077			2,100	(1000 TREES)
Total Trees	22,753	22,753	20,735	21,900		21,100			21,200	(1000 TREES)
Commercial Production	750,000	746,870	748,699	740,000		808,916			745,000	(MT)
Non-Comm. Production	0	0	0	0		0			0	(MT)
Production	750,000	746,870	748,699	740,000		808,916			745,000	(MT)
Imports	0	0	94	0		235			300	(MT)
Total Supply	750,000	746,870	748,793	740,000		809,151			745,100	(MT)
Fresh Dom. Consumption	193,000	208,589	181,428	171,000		208,755			222,700	(MT)
Exports	322,000	311,517	358,554	320,000		338,970			290,000	(MT)
For Processing	235,000	226,764	208,811	249,000		261,426			232,600	(MT)
Withdrawal From Market	0	0	0	0		0			0	(MT)
Total Distribution	750,000	746,870	748,793	740,000		809,151			745,100	(MT)
TS=TD			0	0		0			0	

Pears, Fresh South Africa	2008/2009			2009/2010			2010/2011			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Area Planted	11,400	11,400	11,425	11,425		11,435			11,450	(HA)
Area Harvested	10,230	10,230	10,255	10,230		10,265			10,280	(HA)
Bearing Trees	12,400	12,400	10,507	12,400		10,525			10,550	(1000 TREES)
Non-Bearing Trees	1,100	1,100	918	1,100		909			1,000	(1000 TREES)
Total Trees	13,500	13,500	11,425	13,500		11,434			11,550	(1000 TREES)
Commercial Production	345,731	366,385	342,143	370,000		347,636			348,000	(MT)
Non-Comm. Production	0	0	0	0		0			0	(MT)
Production	345,731	366,385	342,143	370,000		347,636			348,000	(MT)
Imports	0	0	188	0		185			188	(MT)
Total Supply	345,731	366,385	342,331	370,000		347,821			348,188	(MT)
Fresh Dom. Consumption	43,731	55,459	48,225	67,000		44,711			48,100	(MT)
Exports	182,000	168,506	165,997	183,000		180,613			180,921	(MT)
For Processing	120,000	142,420	128,109	120,000		122,497			119,167	(MT)
Withdrawal From Market	0	0	0	0		0			0	(MT)
Total Distribution	345,731	366,385	342,331	370,000		347,821			348,188	(MT)
TS=TD			0			0			0	

Grapes, Fresh South Africa	2008/2009			2009/2010			2010/2011			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Area Planted	14,010	14,010	13,982	14,010		10,821			10,830	(HA)
Area Harvested	11,120	11,120	11,092	11,120		8,657			8,700	(HA)
Commercial Production	260,000	260,000	258,773	270,800		255,284			280,000	(MT)
Non-Comm. Production	0	0	0	0		0			0	(MT)
Production	260,000	260,000	258,773	270,800		255,284			280,000	(MT)
Imports	0	0	0	0		0			0	(MT)
Total Supply	260,000	260,000	258,773	270,800		255,284			280,000	(MT)
Fresh Dom. Consumption	13,000	41,000	34,650	20,800		37,409			38,000	(MT)
Exports	247,000	219,000	224,123	250,000		217,875			242,000	(MT)
For Processing	0	0	0	0		0			0	(MT)
Withdrawal From Market	0	0	0	0		0			0	(MT)

Total Distribution	260,000	260,000	258,773	270,800		255,284			280,000	(MT)
TS=TD			0			0			0	

Export statistics from the Table Grapes industry was used; the export figures from Global trade Atlas exceeds the production figures given by both the industry and the National department of Agriculture which then leads to the conclusion that the GTA data might have included dried grape on these exports or exports from neighboring countries were also included hence the decision to use industry export figures.